

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1582-18
Bill No.: Truly Agreed To and Finally Passed CCS for SS for HS for HCS for HB 679 & 396
Subject: Children and Minors; Domestic Relations; Family Services Division
Type: Original
Date: June 11, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General	(More than \$1,318,749)	(More than \$8,840,265)	(More than \$15,460,196)
Total Estimated Net Effect on General Revenue Fund	(More than \$1,318,749)	(More than \$8,840,265)	(More than \$15,460,196)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Criminal Record Systems	\$442,122	\$243,881	\$238,981
Urban and Teacher Education Revolving Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$442,122	\$243,881	\$238,981

*Income and costs of approximately \$1,000,000 would net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 26 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

Income and expenses of approximately \$5,000,000 annually would net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate, Office of Administration-Administrative Hearing Commission**, the **State Public Defender**, and the **Missouri House of Representatives** assume this proposal would not fiscally impact their agencies.

Officials from the **Office of Prosecution Services** state there would be unknown costs for personnel and equipment.

Officials from the **Office of Administration- Division of Budget and Planning (BAP)** state this proposal establishes an Office of Child Advocate for Children's Protection and Services in the Office of Administration (OA). This is similar to Office of Child Welfare Ombudsman within OA established by Governor's Executive Order 02-22. The General Assembly approved \$406,468 (\$272,334 general revenue and \$134,134 federal funds) and four FTE to implement the Executive Order in House Bill 5 (OA's Appropriation Bill).

The BAP states compared with the Governor's Executive Order on the Ombudsman, the office established in SCS SB 43 appears to have some expanded authority. The BAP states this proposal provides specific investigative authority to the child advocate who may file amicus curiae briefs in court on behalf of children or parents. The OA states this proposal also requires OA to provide administrative support and staff as deemed necessary. This expanded authority

ASSUMPTION (continued)

could impact the workload of the office and require additional resources.

The BAP states proposed legislation should not result in additional costs or savings to the Division of Budget and Planning.

The OA states Section 135.327 removes the current \$2,000,000 cap on the Special Needs Adoption Tax Credit. The OA states this will have an unknown negative impact on the state's General Revenue Fund.

Oversight assumes the OA could absorb the additional the additional workload or request additional funds through the budget process.

Officials from the **Department of Mental Health (DMH)** state they assume that the provisions for competitive bidding through public and private providers refers directly to the services provided by and resources of the Division of Family Services and not the Department of Mental Health. Therefore, under these assumptions there would be no fiscal impact to the DMH.

Officials from the **Department of Corrections (DOC)** assume supervision by the DOC through probation or incarceration would result in some additional costs, but DOC assumes the impact would be \$0 or minimal and could be absorbed within existing resources.

Officials from the **Office of the Secretary of State (SOS)** state this proposal creates various foster care changes. The Department of Social Services could promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Social Services could require as many as 60 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$3,690.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DOH)** assume Section 210.903.2.(8) would require 1 Computer Information Tech Specialist for 6 months to make necessary modifications to the Family Care Safety Registry computer program. \$50,000 is included for the additional computer costs to establish a connection with MULES that the department currently doesn't have, and the necessary programming to get the information needed. **Oversight** assumes the DOH could absorb these costs.

The DOH further states that Section 210.937 would extend the Family Care Safety Registry. The fiscal impact reflects the current program costs for the Family Care Safety Registry and not additional or increased funding for the program.

The DOH assumes that if a large number of additional persons will be required to register with the registry, there could be additional costs for the registry.

The DOH assumes the DOH would participate on the state and local teams for the purpose of developing uniform language for intake, assessment and other tools to be used with children. Under this assumption, the DOH would absorb the additional costs.

If, however, the intent is for the teams to be involved with individual children, there would be no additional costs incurred for clients already served by DOH. The DOH would require additional staff or staff time and expenses to participate in teams for children not already served by DOH.

Therefore, the impact for this legislation is unknown, based on 1) the intent is unclear for DOH's role; and 2) depending on the intent, there is potential fiscal impact to serve children not already covered in DOH programs.

Officials from the DOH assume they would be responsible for printing and distributing pamphlets relating to Section 192.016 of this proposal. The DOH assumes the printing costs for 150,000 pamphlets would be \$12,082. The DOH assumes mailing cost to 2,471 counties, birthing hospitals, public libraries, public schools, and universities would be \$9,760. The DOH estimates the cost for a filing cabinet for storage, \$550. The DOH estimates 200 Programming hours x \$50.00 per hour = \$10,000 would be needed to develop database for tracking purposes and modify paternity file.

Officials from the **Office of State Courts Administrator (CTS)** state this proposal would make numerous changes in the laws relating to foster care, and create new responsibilities and time

frames for the courts and court clerks.

ASSUMPTION (continued)

At this time, the CTS has no way of knowing what the actual fiscal impact will be, but it could be substantial. Any significant increase in the workload of the courts as a result of these provisions will be reflected in future budget requests.

The CTS states the proposed legislation would also create new rights for men in the establishment of paternity, and make changes in the putative father registry maintained by the Department of Health and Senior Services.

The legislation provides for a \$50 filing fee on all petitions for adoption, to be used to fund the registry. In 2001 (the most recent year for which this data is available), there were 3,311 adoption filings. Thus, CTS can estimate that approximately \$165,000 will be raised in a given year.

The CTS states the proposal would provide that any interrogation of or interview with a child taken into custody by a juvenile officer or law enforcement official shall be audiotaped or videotaped in its entirety. Once made, the tape would have to be preserved and kept in a secure chain of custody. This provision would require additional, but still unknown, human resources.

Additionally, there will be unknown E & E costs to the counties for the necessary videotape or audiotape equipment required by the legislation for all interviews, and for any other related expenses. We have no way of estimating these costs.

Oversight will present an unknown cost to counties for equipment.

Officials from the **Department of Elementary and Secondary Education (DESE)** Section 211.032 would allow any child upon request of the foster family to be permitted to continue to attend the same school that the child was enrolled in and attending at the time the child was taken into custody by the DFS. The DESE states costs related to this provision are unknown but could be significant. In addition, the DESE states it is not clear who would be responsible for these costs. The DESE estimates transportation costs could easily be \$100 per child per day for 174 days of the school year.

Oversight assumes that in most cases, the DFS would place a child in foster care in the same

school district the child was attending, thereby minimizing transportation costs.

The DESE states Section 168.283, requires that prior to employment, no school employee shall have unsupervised contact with pupils until the individual has obtained a criminal history background check. DESE states, for FY 2002, there were 124,465 pupil-contact individuals
ASSUMPTION (continued)

throughout the state's districts. At \$36 each for the national and state background checks, DESE estimates the cost to school districts to be \$4,480,740 ($124,465 \times \36) in FY 04. Average turnover for teachers, administration, librarians, special services, and certified personnel in Missouri's elementary, junior high, and high schools is 22 percent. Assuming a 22 percent turnover rate, DESE estimates the cost for FY 05 to be \$5,466,503 ($\$4,480,740 \times 1.22$) and the cost for FY 06 to be \$6,669,133 ($\$5,466,503 \times 1.22$). The DESE states that no person employed by a school for less than two years, who has any negative history in his or her personnel file, shall have unsupervised contact with pupils until a criminal history background check has been conducted. The DESE assumes this will likely cause the number of background checks administered by the DESE to increase; however, DESE cannot estimate the level of that increase because it depends upon the interpretation of the term "negative history".

The DESE further states that any person, who is required to submit to a criminal background check, to register with the family care safety registry and access line pursuant to sections 210.900 to 210.937 in lieu of the required highway patrol background check. Sections 210.900 through 210.937 require criminal background checks to be performed by the Highway Patrol; therefore, the DESE assumes this would have no fiscal impact.

Oversight assumes a criminal history background check would be required for all persons employed for less than two years with a negative history and all persons with pupil contact new to the schools beginning January 1, 2004. The 2001-02 Report of Public Schools of Missouri issued in January, 2003, showed that there were 4,720 teachers with two or less years of experience. In addition, **Oversight** assumes a 22 percent turnover of all persons with pupil contact, or 27,382 ($124,465 \times 22\%$) per year. Therefore, **Oversight** assumes DESE would require 32,102 ($4,720 + 27,382$) background checks in FY 04 and 27,382 checks in FY 05 and FY 06. **Oversight** assumes the amount collected and passed through to the Missouri State Highway Patrol for criminal history checks to be \$1,219,876 ($32,102 \times \38) in FY 04 and \$1,040,516 ($27,382 \times \38) in FY 05 and FY 06. **Oversight** is showing the fiscal impact to school districts as a cost of \$0 to \$1,219,876 in FY 04 and \$0 to \$1,040,516 in subsequent years because the language is permissive. It would be a local school district decision as to how much of the cost to reimburse to the individuals.

The DESE states with the exception of DESE's own state operated programs, the DESE does not maintain the kind of student specific information identified in Section 210.518. Since DESE does not have the information to share with the other two agencies, the DESE states it does not make sense to bind DESE to a meeting. The DESE states it would object to being included in the requirement for attendance at meetings as stated in this proposal. The DESE states such a requirement would be burdensome to the staff and the fiscal impact would be in the form of ASSUMPTION (continued)

opportunity cost (investing staff time in a meeting when that time would otherwise be spent on DESE functions).

The DESE states that changes to Section 135.327 would remove the \$2 million cap on the tax credit for nonrecurring adoption expenses. The DESE states more tax credits mean less General Revenue available for distribution to local schools through the foundation formula.

Officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)** assume that the school districts will elect to have a fingerprint background check done at the state level, rather than allow the applicant to register with the Family Care Safety Registry, even though this legislation allows a choice of either one. MHP assumes this because a fingerprint check is the most thorough check that can be done on an individual (especially when combined with the FBI fingerprint check) and it will give the most complete criminal history possible on the applicant. Based on this assumption, the MHP's impact will be on fingerprint checks of an applicant and not the applicant registering with the Family Care Safety Registry.

Oversight provided the MHP with numbers based on the new wording of the legislation (47,500 individuals). The MHP used the number of individuals that Oversight provided for the purpose of this fiscal note. This proposal includes fingerprints for DOR drivers.

INFORMATION SYSTEMS DIVISION

The MHP's Information Systems Division anticipates an increase in the number of additions and modifications at the State Data Center based on the number of checks created by the proposed legislation. MHP estimates the number of fingerprint backgrounds would increase by 47,500 in the first year (32,102 + 6,248+9,150). After the initial onset of backgrounds, it is estimated that there would be 35,643 (27,382 + 6,248+2,013) each year.

The MHP estimates State Data Center charges of \$5,120 in FY 04 and \$3,390 in FY 05 and FY 06.

CRIMINAL RECORDS AND IDENTIFICATION DIVISION

CAM:LR:OD (12/02)

The Patrol's Criminal Records and Identification Division would require 5 new FTE as a result of the proposed legislation. These FTE would be placed on shifts as needed. It is expected that most of the FTE would be 2nd and 3rd shift employees, so they would not require any equipment. However, if any are placed on the 1st shift, standard equipment will be needed at a cost of \$3,339 per FTE (one time) and \$635 per FTE (recurring). These FTE would be 3 Fingerprint Technicians, 1 AFIS Entry Operator, and 1 Fingerprint Technician Supervisor.

ASSUMPTION (continued)

Fingerprint checks for DESE would be \$38. Fingerprint checks are \$24 for DOS because of an arrangement worked out between DOS and MHP for foster parents only. The MHP does not require foster parents to pay for the state portion (\$14) of their background checks.

Officials from the **Department of Revenue (DOR)** state the following regarding Section 135.327:

Administrative Impact: Although the number of adoption tax credits will increase, DOR is currently using resources to deny the credits. These resources will be applied to any costs related to the additional credits filed due to this legislation. Therefore, there is no additional administrative impact to DOR.

Revenue Impact: DOR estimates it will deny at least 300 adoption tax credit claims due to the cap by April 15th. The average credit this year is \$2,700. Therefore DOR estimates the minimum impact to the general revenue fund (GR) is \$810,000. However, DOR has made a point to notify taxpayers that the cap has been met and any claim would be denied this fiscal year. Therefore, DOR assumes that there are an unknown amount of additional credits that could be claimed if this legislation is passed. Therefore, DOR assumes the revenue impact of the proposal to GR is a loss of \$810,000 to an unknown amount each year.

The DOR stated there would be a cost of \$16,360 in FY 04 related to the programming required for school bus permit system programming

Officials from the **Office of Administration - Budget and Planning (BAP)** did not respond to this fiscal note in regard to Section 135.327. However in a previous note the BAP assumed they have no empirical basis for estimating the increased cost of this tax credit if the cap was removed. The removal of the cap could negatively impact general revenue. BAP defers to the Department of Social Services and the Department of Revenue for information related to potential cost of this proposal.

Oversight assumes the anticipated amount of credits to be submitted over the annual cap this year could be a result of the previous years' buildup of denied claims plus additional claims from this year. Therefore, if the cap on the tax credits was taken out of statutes, the first fiscal year (FY 2004) could have a large impact of previous year' denied credits being allowed, and then future years not so large. Therefore, with this possibility and with the lack of information available regarding the number of special needs adoptions in the state and the non-recurring expenses related to them, Oversight will utilize DOR's estimate of (\$810,000 to Unknown) for FY 2004, but for future years, assume (Unknown - greater than \$100,000) in losses to GR.

ASSUMPTION (continued)

These tax credits can be sold to and utilized by insurance companies against their premium tax liability. Premium tax revenue is split evenly between General Revenue and the County Foreign Insurance fund which is later distributed to school districts. Therefore, Oversight has footnoted the possibility that some of the additional tax credits resulting from this proposal could be utilized by insurance companies and therefore, reduce revenue to the local school districts.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the following:

Section 208.152.1(19)

The DMS assumes no fiscal impact to the DMS. The DMS states currently mental health services are provided to foster care children. The DMS assumes care provided by child-serving agency providers would be in lieu of services provided in another setting and total services would not increase.

Section 208.204

The DMS states it currently provides coverage for therapy for children in the care and custody of the DFS. This proposal states the DMH would be responsible for providing mental health services to children. If the children are Medicaid eligible after returning to their parents' care, the DMS would draw federal match on all funds spent on their behalf for Medicaid covered services-no change from current policy. The DMS states if the children are not Medicaid eligible after returning to their parents' care, the DMH would provide the needed services and bill the DOS. The DMS states no federal match on these funds would be available. The DMS assumes the DFS would be responsible for the payment of these services.

Section 208.647

The DMS states this section would eliminate the waiting period for health care coverage for children with special health care needs, defined as having a condition which left untreated would

result in death or serious physical injury, that do not have access to affordable employer-subsidized health care insurance as determined by the DFS. In order to receive federal participation, the Centers for Medicare and Medicaid Services (CMS) would have to approve an amendment to the 1115 Waiver. For the purpose of this fiscal note, the DMS assumes the CMS would approve such a waiver amendment.

The DFS has estimated that 126 children would meet these guidelines in FY 04. The cost was determined by utilizing a phase-in formula for the number of eligible children multiplied by the cost per eligible.

ASSUMPTION (continued)

The average monthly cost per child in the 1115 Waiver for FY 02 is \$91.77. Based on a six-month phase-in for the first fiscal year and taking into account the inflation forecast of 4.5% for medical care, the total cost for FY 04 would be \$114,792. For FY 05 and FY 06, the number of eligible children was increased by 3% for caseload growth and phased-in over a four month time frame. The same inflation forecast of 4.5% was applied to the second and third years as well. The total cost for FY 05 would be \$155,735 and for FY 06, the total cost would be \$167,777.

Officials from the **Department of Social Services - Division of Legal Services (DLS)** state Section 210.025 changes the standard which is utilized for the payment of federal and state childcare funds to providers and Section 210.152.5 changes the way appeals of child abuse/neglect findings are appealed to the circuit court.

The DLS states there will be an increase in litigation over the new provisions of this proposal and the Department of Social Services's following of the new directives. There will be an increase in the number of Child Care Provider hearings held by the Hearings Section, if providers reapply under the newly revised statute. There will also be an increase in the number of child abuse/neglect cases which get appealed to the Circuit Court as the procedures have been simplified for the alleged perpetrator.

The DLS assumes that there will not be such a great increase in legal problems that the increased workload would not be able to be handled by current attorneys in the DLS.

Oversight assumes should the workload increase substantially, the DLS could request additional funding through the appropriation process.

Officials from the **Department of Social Services - Division of Family Services (DFS)** state:

Section 208.204

This section requires that the Department of Mental Health may bill DFS for those children identified as being in the custody of DFS solely for the purpose of mental health issues where no abuse or neglect has occurred. It is unknown what the fiscal impact of this would be however, if only 2 children were in residential treatment psychiatric level for 1 entire year the cost would be in excess of \$100,000; therefore, this component of the fiscal note is unknown greater than \$100,000. Furthermore, since this section requires DSS to pay for children once they are returned to the custody of their parents and most would lose their Medicaid eligibility, the entire funding source would become DFS.

Section 210.025

ASSUMPTION (continued)

Preponderance of evidence requires more evidence resulting in a need for staff to be certified forensic investigators. Training for such specialization is provided by "Finding Words", currently being utilized by CACs in Missouri. Cost is \$475 per trainee. As of Fiscal Year 2003, Missouri has a total of 1,384.42 workers budgeted. However, the privatization of Greene County and the 37th Judicial Circuit will result in a core reduction of 8.75 workers. The fiscal impact for training the 1,375.67 staff (1,384.42 - 8.75) is \$544,449 initial training costs. Social Service Worker turnover is approximately 20% per year, therefore, ongoing training for subsequent years is also included in the fiscal note.

Section 210.112

The DFS states this section requires all child abuse/neglect investigations and family assessment to be done by DFS staff.

The DFS assumes DFS staff will be needed to provide technical support and oversight of the contracted agencies. As their duties most closely resemble that of a supervisor, one Division staff was added for every 7 contracted workers in accordance with current supervisory ratios. The merit classification for these workers would be a Social Supervisor I. All related expenses were included.

In addition, the DFS states beginning in FY05 20% of all cases supervised by the DFS shall be privatized; in FY06 35%; and in FY07 50%.

The DFS assumes that an independent evaluation would be required to provide an overall assessment of the quality of services and make a recommendation to the general assembly. This cost of \$30,000 was calculated at an amount comparable to previous evaluations of child welfare services.

The DFS states foster/adoptive parent recruitment and retention is a duty of the DFS's alternative care staff. As such, this service is already figured in to the cost for contracted case management services.

Residential care and mentoring services are provided through contracted agencies already. There is no impact as the result of their inclusion in the case management plan. While training costs could increase, contracted agencies may hire trained child welfare staff. These costs could also increase in the event the contracts are terminated at the end of the 2 year pilot. Since the actual training needs are not known the fiscal impact was not determined.

Incentives to the contracted providers were not calculated as this is to correspond to cost savings
ASSUMPTION (continued)

to the state.

Section 210.487

Assume the Division of Children's Services will incur all background check expenses. Assume fingerprint checks will be necessary for all foster/adoptive applicants annually and that existing foster/adoptive home and re-licensure and emergency placements would not be required to undergo fingerprint checks.

In 2002, the Division of Children's Services was responsible for licensing approximately 3,124 foster, relative, adoptive, and group homes. Each licensure and re-licensure requires a criminal history record check of every person in the home 18 years or over. Currently, these name-search checks are run through the Highway Patrol and the customary fee of \$5.00 per request is waived through an agreement between the Division of Children's Services and the Highway Patrol. This proposal indicates the cost for fingerprint checks is not to exceed \$14.00 for every in state fingerprint request. We assume, based upon information from the Highway Patrol that this will be waived for foster and adoptive parents. In addition, a \$24.00 fee will be required to process the FBI fingerprint check. Currently, this expense is not included in the Division budget.

This proposal would also require Division of Family Services staff to receive fingerprints and accompanying fees from individuals. The Division does not currently have a process by which money can be received in the county offices nor do staff have the expertise or training to take fingerprints. These unknown expenses may increase the overall cost of this proposal.

Section 453.020

The \$50 per adoption petition filing fee will be an increased cost to the Division as we currently reimburse legal fees associated with adoptions. The exact number of adoption petitions filed on

behalf of children in DFS custody is unknown, however, in FY2002, a total of 1,515 adoptions were completed. Over the past three years, the number of adoptions has increased 14.55% annually. Therefore, we are using this figure to project the number of adoptions anticipated and calculate an increase in adoption legal costs. See attached spreadsheet.

The DFS has stated that caseworkers are currently at 75% of the budgeted staff level and is managing 24,714 cases either directly or supervising 1,620 which are privatized cases. Budgeted social service workers is 1,382 in FY 03 or approximately 1,037 ($1,382 \times 75\%$) social workers. These social workers are handling 23,094 ($24,714 - 1,620$) cases or 22.27 cases per caseworker. **Oversight** assumes through the privatization in FY 05 and FY 06, DFS social workers can be reduced.

ASSUMPTION (continued)

Section 210.112.5 states by January 1, 2005, 20% of the cases shall be delivered subject to the supervision of the DFS. Therefore, 4,943 would need to be privatized, but this would include the 1,620 which are already privatized. The DFS would need to privatize an additional 3,323 cases ($4,943 - 1,620$). Since current DFS case workers are handling 22 cases per caseworker, Oversight assumes the DFS could reduce its current staff by 115 staff. This is a combination of 149 staff that can be reduced ($3,323/22.27$) plus staff need to supervise the privatized cases - 34. In addition, **Oversight** assumes the DFS could reduce 12 supervisors that would otherwise supervise the 115 staff. **Oversight** assumes salary and fringe benefits for 127 staff would be \$5,410,889 or \$2,705,444 for a half year since the privatization begins January 1, 2005.

Through similar logic, **Oversight** assumes the above-mentioned staff plus additional staff to achieve the 35% level in FY 06 could be eliminated or a total of \$9,085,711 of salary and fringe benefits.

Oversight assumes not all social workers would need the training that DFS assumes would be needed per Section 210.025. Oversight assumes approximately 100 workers will need the training at a cost of \$475 per person is \$47,500 in FY 05 and \$9,500 in subsequent years (20% turnover).

Officials from the **Office of Attorney General (AGO)** assume that certain changes would require some new advice to agencies, particularly regarding the Sunshine Law, access to records, and criminal background checks, but assume these costs could be absorbed with existing resources. The AGO also anticipates that the new requirement to contract certain child protection functions to private entities may result in additional legal work for the AGO in reviewing contracts and defending the state from any litigation arising from those contracts.

This proposal would affect Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE			
<u>Income</u> - Office of State Courts Administrator			
Filing fees	\$165,000	\$165,000	\$165,000
<u>Costs</u> - Office of Prosecution Services			
Personnel and equipment	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - Department of Health and Senior Services			
Program costs (Family Care Registry)	(\$333,369)	(\$666,738)	(\$666,738)
Expense and equipment Section 192.016	<u>(\$32,392)</u>	<u>(\$22,497)</u>	<u>(\$23,173)</u>
<u>Total Costs</u> - Department of Health and Senior Services	(\$365,761)	(\$689,235)	(\$689,911)
<u>Costs</u> - Department of Social Services - Division of Family Services			
Personal Service & fringe-staff reduction	\$0	\$1,785,593	\$5,996,569
Billing to DMH	(More than \$66,000)	(More than \$66,000)	(More than \$66,000)
Training	(\$31,350)	(\$6,270)	(\$6,270)
Fingerprinting	(\$98,219)	(\$98,219)	(\$98,219)

Adoptions Section (453.020)	(\$65,100)	(\$74,569)	(\$85,415)
Evaluation	\$0	(\$20,141)	(\$20,645)
Privatization	<u>\$0</u>	<u>(\$9,694,422)</u>	<u>(\$20,510,056)</u>
<u>Total Costs - Department of Social</u>	<u>(More than</u>	<u>(More than</u>	<u>(More than</u>
<u>Services - Division of Family Services</u>	<u>\$260,669)</u>	<u>\$8,174,028)</u>	<u>\$14,790,036)</u>
<u>Costs - Department of Revenue</u>			
Programming costs	(\$16,360)	\$0	\$0
<u>Costs - Department of Social Services -</u>			
<u>Division of Medical Services</u>			
Program Costs-Section 208.647	(\$30,959)	(\$42,002)	(\$45,249)
	<u>(More than</u>	<u>(More than</u>	<u>(More than</u>
<u>Loss - increase in adoption tax credits*</u>	<u>\$810,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
ESTIMATED NET EFFECT ON	<u>(More than</u>	<u>(More than</u>	<u>(More than</u>
GENERAL REVENUE	<u>\$1,318,749)</u>	<u>\$8,840,265)</u>	<u>\$15,460,196)</u>

*** The fiscal impact could be divided between the General Revenue Fund and the County Foreign Insurance Fund (which ultimately goes to local school districts) if some of the tax credits are utilized against insurance premium taxes.**

CRIMINAL RECORD SYSTEMS FUND

Revenues – Missouri State Highway Patrol

Fingerprint fees	\$1,717,528	\$1,266,962	\$1,266,168
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Costs – Missouri State Highway Patrol

Personal Service (5 FTE)	(\$92,750)	(\$116,935)	(\$119,858)
Fringe Benefits	(\$37,536)	(\$47,324)	(\$48,507)
State Data Center charges	(\$5,120)	(\$3,390)	(\$3,390)
Pass through to FBI	<u>(\$1,140,000)</u>	<u>(\$855,432)</u>	<u>(\$855,432)</u>
<u>Total Costs – MHP</u>	<u>(\$1,275,406)</u>	<u>(\$1,023,081)</u>	<u>(\$1,027,187)</u>

**ESTIMATED NET EFFECT ON
CRIMINAL RECORD SYSTEMS
FUND**

<u>\$442,122</u>	<u>\$243,881</u>	<u>\$238,981</u>
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**URBAN AND TEACHER
EDUCATION REVOLVING FUND**

Income – Department of Elementary and
Secondary Education (DESE)

Receipts for criminal history checks	\$1,219,876	\$1,040,516	\$1,040,516
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Costs – Department of Elementary and
Secondary Education (DESE)

To Missouri State Highway Patrol for criminal history checks	<u>(\$1,219,876)</u>	<u>(\$1,040,516)</u>	<u>(\$1,040,516)</u>
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**ESTIMATED NET EFFECT ON
URBAN AND TEACHER
EDUCATION REVOLVING FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FEDERAL

Income

Federal Assistance - DMS	\$83,833	\$113,733	\$122,528
Federal Assistance - DFS	<u>More than</u>	<u>More than</u>	<u>More than</u>
	<u>\$136,172</u>	<u>\$4,213,094</u>	<u>\$7,621,471</u>
Total Income	More than	More than	More than
	\$220,005	\$4,326,827	\$7,743,999

Costs - Department of Social Services -
Division of Medical Services

Program Costs-Section 208.647	(\$83,833)	(\$113,733)	(\$122,528)
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Costs - Department of Social Services -
Division of Family Services

Personal Service	\$0	\$919,851	\$3,089,142
Billing to DMH	(More than	(More than	(More than
	\$34,000)	\$34,000)	\$34,000)
Training	(\$16,150)	(\$3,230)	(\$3,230)

Fingerprinting	(\$51,733)	(\$51,733)	(\$51,733)
Adoptions Section (453.020)	(\$34,289)	(\$39,277)	(\$44,989)
Evaluation	\$0	(\$10,609)	(\$10,874)
Privatization	\$0	(\$4,994,096)	(\$10,565,787)
<u>Total Costs</u> - Department of Social	(More than	(More than	(More than
Services - Division of Family Services	\$136,172)	\$4,213,094)	\$7,621,471)

**ESTIMATED NET EFFECT ON
FEDERAL FUNDS**

\$0**\$0****\$0**

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

POLITICAL SUBDIVISIONS

Costs – Counties

Audio/video equipment

(Unknown)(Unknown)(Unknown)

Costs – Local School Districts

Reimbursement to employees for
criminal history checks\$0 to
(\$1,219,876)\$0 to
(\$1,040,516)\$0 to
(\$1,040,516)

**ESTIMATED NET EFFECT ON
POLITICAL SUBDIVISIONS**

(Unknown)**(Unknown)****(Unknown)**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal makes numerous revisions to laws relating to foster care and protective services for children. In its major provisions, the proposal:

- (1) Establishes the Office of Child Advocate for Children's Protection and Services within the Office of Administration;
- (2) Requires law enforcement agencies and court clerks to submit certain criminal arrest, charge,

and disposition information to the central repository within 15 days of disposition for purposes of maintaining complete and accurate criminal history information;

(3) Specifies that there is no charge for information supplied from the criminal history registry to criminal justice agencies for the administration of criminal justice;

(4) Limits the amount the State Highway Patrol can charge for a criminal history check to \$5 for a non-fingerprint search and \$14 for a fingerprint search;

(5) Requires criminal history and identification records obtained from the central repository to be used only for the purpose for which they were obtained and allows the individual who has a record to challenge the accuracy of the criminal history record;

DESCRIPTION (continued)

(6) Allows a qualified entity to obtain a criminal record review of a provider from the patrol by furnishing the information on forms that are approved by the patrol. If an authorized state agency agrees to process state and national criminal record, it may assess a fee;

(7) Allows specified state agencies to require applicants to submit fingerprints for a criminal history record check and requires the fees for the check to be paid by the applicant or in a manner prescribed by the patrol;

8) Removes the \$2 million aggregate cap on special needs adoption tax credit;

(9) Requires the local school board or the Department of Elementary and Secondary Education to notify the State Board of Education and the Attorney General when a teaching certificate holder has pled guilty to or been found guilty of an offense that would allow the state board to seek discipline against the teacher;

(10) Designates specified provisions as the "Dominic James Memorial Foster Care Act of 2003";

(11) Requires persons employed by a school after January 1, 2004, and those employed for less than two years with negative history in their personnel file to have a criminal background check before having any unsupervised conduct with a child. All individuals who must submit to the criminal background check must submit to the Federal Bureau of Investigation background check and register with the Family Care Safety Registry;

(12) Provides that lack of knowledge of pregnancy does not excuse a man's failure to file a

paternity action or to file with the Putative Father Registry. The bill also specifies the requirements for a statement concerning the registry that must be produced and distributed by the Department of Health and Senior Services;

(13) Requires the Division of Family Support to operate and maintain a full-time office in each county;

(14) Requires employees of the Division of Family Services who are involved with child protective services and who purposely, knowingly, and willingly violate a policy, rule, or state law that is related to the child abuse and neglect activities of the division to be dismissed if the violation results in serious physical injury or death. Juvenile officers or juvenile office employees who purposely, knowingly, and willingly act or neglect to act in a way that results in the serious physical injury or death of a child must be dismissed pursuant to Supreme Court rules governing personnel;

DESCRIPTION (continued)

(15) Adds child-serving agencies with the comprehensive children's mental health service system to the definition of "mental health services" for the purpose of defining services for the Medicaid program. The bill requires the Department of Mental Health, in collaboration with the Department of Social Services, to establish the definition and criteria for the designation of a community-based service;

(16) Requires the Department of Social Services to look at children in its custody and determine which ones are there solely because of a mental health issue. These children may be returned to their families, and the Department of Mental Health must provide necessary services. The Department of Social Services is to be billed for the cost of care by the Department of Mental Health;

(17) Provides that children with special health care needs that would result in death or serious physical injury if not treated are not required to meet the six-month uninsured requirement to participate in the CHIPS program;

(18) Prohibits mandated reporters from making reports of child abuse and neglect anonymously, except for school personnel, who are only required to disclose their classification as a mandatory reporter. All other reporters may remain anonymous;

(19) Requires the Division of Family Services to contract for the provision of children's services whenever possible. The state is to be the sole provider of child abuse and neglect

hotline services, initial child abuse and neglect investigations, and initial family assessments. The state is also responsible for representation of children in court, but can contract for these services;

(20) Requires the names of individuals placed on the central registry before August 28, 2003, to remain on the registry for the duration of the time required in Section 20.152, RSMo;

(21) Requires the division to identify all children in its custody who are receiving foster care services by January 1, 2004, and report to the General Assembly the type of foster care being provided and the status of all children;

(22) Requires the division to contract with providers of children's services through a competitive bid process to provide all services except for hotline, initial investigation, and initial family assessments. The providers must have a proven record of providing child welfare services in the state or the ability to provide a range of services. All contracts entered into by the division must be in accordance with federal law and must not result in a loss of

DESCRIPTION (continued)

federal funding. The bill sets goals for the amount of direct services for children to be provided by private providers;

(23) Requires the division to submit a report to the General Assembly by January 15, 2006, and each January 15 through 2008, which contains specified details about the privatization of direct services for children, including information and recommendations from contracting providers. The bill also establishes the goal of obtaining accreditation within five years of the effective date of the section;

(24) Requires the division to develop a protocol for handling hotline calls. It requires the division to use a structured decision-making model to classify all reports, giving priority to ensuring well-being and safety of the child. The division may not meet with child at any school or child care facility building where the abuse of the child is alleged to have occurred. Biological parents, foster parents, guardians ad litem, and court-appointed special advocates must be notified of all family assessment team meetings;

(25) Requires that all information provided at a meeting or hearing relating to the removal of a child from the child's home be confidential, except that a party or parent may waive confidentiality for himself or herself, and that no one may be required to sign a confidentiality agreement prior to testifying or providing information at the meeting. Hearings and meetings

held regarding the removal of a child from the child's home may be recorded by the child, parent, or any party. Information contained in the recording is not considered confidential after the 72-hour status conference, to the extent that the information is not otherwise privileged, unless the court enters an order prohibiting the disclosure of the information;

(26) Reduces the amount of time the division must keep an unsubstantiated report of child abuse made by a mandated reporter from 10 to five years;

(27) Requires the guardian ad litem and/or court-appointed special advocate volunteer to be informed of and have the right to attend all meetings involving the child upon appointment by the court. The judge is given the authority to examine the general and criminal background of individuals appointed as guardian ad litem and court-appointed special advocate volunteers, including using the Family Care Safety Registry. The guardian ad litem is required to advocate for timely court hearings to achieve permanency for the child as soon as possible;

(28) Requires the Children's Juvenile Justice Task Force established in accordance with federal law to conduct an independent review of the policies and procedures of state and local child protective services agencies and to conduct reviews of specific cases, when appropriate, to

DESCRIPTION (continued)

evaluate the extent to which agencies are effectively discharging their responsibilities;

(29) Requires the Department of Social Services to submit an annual statistical report regarding the number of children receiving child protective services to the Governor and the General Assembly, beginning February 1, 2005;

(30) Requires facilities that are exempt from licensure as child care facilities based on the school exemption to submit annual documentation to the department to verify their license-exempt status. Private or religious elementary or secondary schools, religious preschools and kindergartens, weekly Sunday schools, and vacation Bible schools are not required to submit annual documentation;

(31) Allows the Division of Family Services or Juvenile Office to request a name-based criminal history check when an emergency placement of a child must be made and requires the division or Juvenile Office to determine whether any person over the age of 18 is listed on the child abuse and neglect registry;

(32) Requires the division to conduct a search for full orders of protection for anyone seeking a

foster parent license. The applicant and any adult in the applicant's household must also submit two sets of fingerprints for a criminal background check;

(33) Requires meetings to be held between the departments of Social Services, Mental Health, and Elementary and Secondary Education to address and review action taken by agencies regarding the provision of services to a child;

(34) Requires the division to provide standards and training for prospective foster parents, as well as performance-based criteria for licensed foster parents;

(35) Requires the Department of Social Services to place a child with relatives if the court has determined that the placement is not contrary to the best interests of the child. The court must make specific findings on the record detailing why placement with a relative is not in the best interests of the child;

(36) Specifies that the age of a relative may not be the only factor considered in determining whether to place the child with that relative. The bill also requires the Division of Family Services to comply with the Federal Indian Child Welfare Act in placing Native American children;

DESCRIPTION (continued)

(37) Requires the division to notify parents when their child is placed in foster care, except when harm or danger to the child is imminent;

(38) Prohibits the removal of children from school for placement in foster care without a court order specifying that the child will be removed from school;

(39) Prohibits employees of the division and employees of public and charter schools from performing a strip search on students without written permission of a parent or guardian;

(40) Requires the division to hold a team meeting immediately after the 72-hour status conference and additional meetings prior to taking any action relating to the placement of a child in its custody;

(41) Changes references to "probable cause" to "preponderance of the evidence" for purposes of the Family Care Safety Registry. The bill adds the sexual offender registry to the list of registries included in the Family Care Safety Registry;

(42) Requires the court to grant a change of judge, a change of venue, or both upon the motion of a child or the child's parent. It requires the juvenile officer to send reports that only involve violations of the compulsory school attendance law to the school district in which the child resides. The bill also provides for the referral of violations to the local prosecuting attorney;

(43) Requires a status conference to be held within three days of a child being taken into custody and requires the court to make reasonable efforts to notify specified individuals. If requested at the status hearing, a protective custody hearing must be held within 14 days of the request. An adjudication must be held no later than 60 days after the child has been taken into custody; and if at that time the court determines there is sufficient cause for the child to remain in the state's custody, the court will conduct a dispositional review no later than 90 days after the child has been taken into custody. The court must then conduct review hearings every 90 to 120 days during the first year and at least every six months after the first year. If placement results in the child attending a different school, the child's records will be automatically transferred, or upon request of the foster parents and when possible, the child will be allowed to continue attending the school he or she attended prior to being taken into the custody of the division;

(44) Requires that the questioning of a child who is in custody because of delinquency or a criminal violation cease if the child wishes to have a parent, guardian, or attorney present during the questioning. Interrogations or interviews of children taken into custody based on allegations of child abuse are allowed to be audiotaped, videotaped, or digitally recorded whenever possible,

DESCRIPTION (continued)

except for good cause shown based on the best interests of the child. Failure to comply with the recording requirement will render statements made by the child inadmissible in future judicial proceedings;

(45) Requires the Department of Social Services, in conjunction with the Department of Mental Health, to apply to the United States Department of Health and Human Services for waivers to provide services for children, including community-based services;

(46) Makes public juvenile court proceedings involving children or persons aged 17 who are in need of care and treatment and termination of parental rights cases, except for adoption cases. The proceedings are allowed to be closed in certain situations. The general public is excluded during the testimony of a child or victim. All records are closed until the 72-hour hearing and are open after that, unless specifically closed. Pleadings and orders, other than confidential files and those specifically closed, are open to the general public. The identity of the victim and all

references to the identity of the victim must be redacted from all records made available to the public prior to their disclosure. The court is allowed to enter an order to destroy social histories, records, and information, other than the official court file and to seal the official court file and peace officer records after the child reaches the age of 17. The provisions of this section apply to proceedings initiated on or before August 28, 2003;

(47) Requires the Department of Social Services to determine whether an applicant for a license to operate a school bus is listed on the child abuse and neglect registry. The applicant is required to submit fingerprints to search state and federal criminal history repositories and to pay the fees for the criminal history checks;

(48) Adds Christian Science Practitioners to the definition of "minister" for purposes of reporting child abuse and neglect;

(49) Revises provisions relating to the Missouri Family Trust. The bill allows the trust to be used by residents of adjacent states. Upon the death of a life beneficiary, the State of Missouri will receive from the beneficiary's account the amount of total medical assistance paid on behalf of the life beneficiary. If there is any amount remaining in the account, an amount equal to 75% of the principal balance will be distributed to the life beneficiary's heirs. If there are no heirs, the remaining balance will be distributed to the charitable trust;

(50) Requires a \$50 filing fee for adoption petitions, to be used to fund the Putative Father Registry;

DESCRIPTION (continued)

(51) Requires a search of the Missouri Putative Father Registry and the putative father registry of another state, if the child was born in another state in adoption cases where the putative father is unknown. A father who is discovered as a result of the search is required to be served with the adoption petition;

(52) States that a man who has sexual intercourse with a woman is deemed to be on legal notice that a child may be conceived as a result and specifies that the man is entitled to all legal rights and obligations as a result;

(53) Allows parents to temporarily place a child with another person, while retaining the right to supervise the care of the child and resume custody, and allows a parent to use a power of attorney to delegate his or her powers regarding care or custody of a minor child to another

person for a period of up to one year;

(54) Changes the age limitation under which statements made by children relating to specified offenses are admissible in criminal proceedings from 12 to 14;

(55) Requires an action to recover damages for injury or illness that resulted from child sexual abuse be commenced within 12 years of the date the plaintiff reached the age of 18, or within three years of the date the plaintiff discovered or reasonably should have discovered that the illness or injury resulted from child sexual abuse, whichever date is later;

(56) Requires the Department of Mental Health to develop, implement, and administer a comprehensive children's mental health service system;

(57) Makes revisions to the department's employee disqualification list;

(58) Allows the department's means test to be waived for a child in need of mental health services in order to avoid transfer of custody to the Division of Family Services;

(59) Requires the Department of Social Services to seek Title IV-E waivers from the Department of Health and Senior Services and requires the department to take the necessary steps to qualify the state for any federal block grant money available for foster care and adoption assistance;

(60) Requires the Division of Family Services to conduct a diligent search for the natural parents of a child who is in the custody of the division when the parents' identity or location is unknown;

DESCRIPTION(continued)

(61) Requires the departments of Mental Health and Social Services to prepare a plan to address the need for mental health services for children who are in the custody of the state because of their need for mental health services and for children and persons age 17 who are determined by the court to need mental health services;

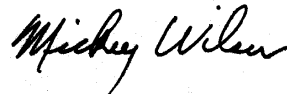
(62) Requires a child to be returned to the care of a non-offending biological parent under certain circumstances; and

(63) Removes the sunset date for the Family Care Safety Registry.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
 Division of Medical Services
 Division of Family Services
 Division of Legal Services
Department of Elementary and Secondary Education
Department of Corrections
Missouri Senate
Department of Public Safety -
 Missouri Highway Patrol
Department of Revenue
Department of Mental Health
Office of State Courts Administrator
Office of Administration
Department of Health and Senior Services
Missouri House of Representatives
Secretary of State
State Public Defender
Office of Prosecution Services
Attorney General Office



Mickey Wilson, CPA

Director

June 11, 2003